

**Opening Statement of the Honorable Fred Upton**  
**Subcommittee on Energy and Power**  
**Hearing on “EPA’s Proposed 111(d) Rule for Existing Power Plants: Legal and Cost**  
**Issues”**  
**March 17, 2015**

*(As Prepared for Delivery)*

Today we continue our examination of what many folks believe is the most problematic of all the global warming-related regulations being churned out by the Obama administration EPA – the proposed “Clean Power Plan.” I welcome our witnesses who will be discussing both the legal and cost concerns with this proposed rule as well as the looming compliance difficulties at the state level.

The Clean Air Act has been around since 1970, and we know from experience that it works best when implemented in the spirit of cooperative federalism. We have proven that we can accomplish a great deal to improve air quality when federal and state governments work together as partners. However, this proposed rule yanks the rug out from under states, with EPA dictating to states and effectively micromanaging intrastate electricity policy decisions to a degree even the agency admits is unprecedented. This raises a broad array of legal issues, not to mention that it is bad policy.

As a result, many states are sounding the alarm about the legality of the rule and the implications for their citizens and ratepayers. In addition to significant Constitutional and other legal questions, states have expressed concerns about the feasibility of EPA’s proposed requirements and the likely impacts on electricity costs and reliability.

The risks to ratepayers are especially serious in states that rely on coal for a substantial part of their electricity generation. Under the Clean Power Plan, states would be forced to redesign their electricity generation, transmission, and distribution systems and related laws and policies, and to do so over a short timeframe. Longstanding policies would be essentially “wiped clean,” and jobs and family budgets could suffer as a result.

Today, we will hear several perspectives from both legal experts and state environmental and energy regulators. I am particularly concerned about the impacts on states, such as my state of Michigan, which have a significant manufacturing sector. American manufacturers have shown that they can compete with anyone in the world – unless they face an uneven playing field caused by unilateral regulations like the EPA’s proposed plan

Other EPA regulations like the Utility MACT rule have already contributed to rising electric rates and growing concerns about reliability. With the economy still far from fully recovered, the last thing job creators need is another expensive regulation likely to drive up energy prices. And the last thing struggling families need is to see their electric bills continue to go up.

I hope that today’s hearing will inform our efforts to develop commonsense policies that will ensure that electricity remains affordable and reliable in the coming decades. Jobs and the economy. That remains our focus. We will continue working to keep the lights on and the electric bills affordable.

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